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## Health Data Card's smart card information concept is catching on

by Andy Williams

Important people to the future of Health Data Card — government officials, a corporate sponsor, health care providers, a major Nebraska employer and a large pharmacy chain — are starting to buy into the benefits of smart card technology for health information. If an investor with \$2 million would give the Omaha-based company a shot in the arm, it would be set.

"We took a card with President Bush's name on it to Washington," said Health Data Card President Henry Zach. "We didn't hand it to him personally, but we assume he got it."

Factors on the federal level — such as the president's executive order calling for widespread deployment of health information technology, the formation of the Office of the National Coordinator for Health Information Technology and a national summit on the issue, to which Zach was invited — have him feeling upbeat about the drum he's been beating for three years.

"We know so much more than we did when we started," said Zach, who has partnered with Dr. Dan Dietrich and Ron Novero to get the company off the ground, "but the thing that has us feeling better is the acceptance that the idea is starting to get."

That includes back home in Nebraska, where a potential biomedical information project could result in a statewide electronic health record of every resident and would be a model for the rest of the country. Dr. William Yasnof, a senior adviser in the Department of Health and Human Services focusing on the National Health Information Infrastructure, was in Omaha last week to meet with parties who have a stake in setting up a health information network in Nebraska.

More specifically, Health Data Card's primary products — a credit card-size card which has a memory chip imprinted and a small processor to store comprehensive healthcare data, the software and "readers" that accompany it — are starting to pop up around the area.

All five major metropolitan health care systems — Alegent Health, Methodist Hospital, Children's Healthcare Services, Creighton University Medical Center and the Nebraska Medical Center — have installed free HDC software on emergency room computers. U-Save Pharmacies, Nebraska's largest independent drugstore group, is installing HDC readers in its Omaha locations, and local cancer surgeon Dr. Thomas J. Dobleman is providing smart cards to his patients.

HDC announced that First National Bank of Omaha has donated 26 personal digital assistants (PDAs) equipped with smart card readers for Omaha fire department vehicles and ambulances — with a goal of other companies donating the additional 150 PDAs it would take to outfit all emergency vehicles within 50 miles of Omaha.

Zach said a major Omaha employer is close to announcing that all of its workers will be issued smart cards, and other major employers will follow.

"Initially, we thought our goal would be direct marketing the cards to individuals," Zach said, "but as things have progressed, we saw the benefit of marketing the card as a business-to-business concept and putting it in the hands of employers as part of a benefits program."

"We also had to begin building the network so that there would be providers equipped to read the cards. We've had to build the chicken and the egg at the same time."

Zach and other HDC executives realize there are inherent challenges with instituting any local, regional or national health information infrastructure. For starters, many people will be skittish about their vital statistics and medical history being passed around a network — although the smart cards are "patient controlled," and a new version is being designed that adds fingerprint impression security.

"That will be an adjustment for people, just like using credit cards and having a PIN number for ATM cards," Zach said, "but one of the values we bring is that we give a card you control and that you can see and hold in your hand."

Health care facilities and providers are stiff competitors that hesitate to share information and may need government incentives to begin doing so.

"The information should be shared for the patient's benefit," Zach said. "Those providers can then protect the methods or services they provide that will give them the most competitive



Zach demonstrating how the Health Data Card functions ... "The thing that has us feeling better is that the idea is starting to get accepted."



Pictured are the e-smartpad, HDC cards with graphics on the front and a Palm Pilot card reader.

advantage in the marketplace instead of protecting who owns the information."

The greatest challenge Zach and others may face in setting up an NHII or local health information infrastructure is the diversity of health care information management systems that exist and the backward nature of some of those systems. Zach said his staff has identified at least 400 software vendors for health information systems.

"Having a background in construction and knowing the computer technology in that industry, I can tell you that the health care industry has not reinvested in information technology," said Zach, who for 22 years was a sales and marketing executive for Heartland Builders of Columbus. "A vast majority doesn't know that the health care community as a whole has not embraced IT and is behind."

HDC hopes to do its part in that mix by providing free smart card software to any licensed health-care professional in Omaha and beyond and by putting readers in every hospital emergency room, ambulance and rescue vehicle in the state.

That's where the \$2 million comes in, and Zach has been meeting with investors both locally and nationwide.

"We're an Omaha company, so we would like to find an investor here in Omaha," Zach said, "but one thing we've realized about the Omaha community as we've been raising capital is that because of Warren Buffett's

success as a conservative investor, the community follows his example and takes less risk.

"We're definitely not a startup and we are building a track record. But after we implement this next step in our strategic plan, we think we will be able to go anywhere and get investors because of what will be in place."

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